

1 121.58 (2) (a) (intro.) A school district which provides transportation to and
2 from a school under ss. 121.54 (1) to (3), (5) and (6) and 121.57, and the nonresident
3 school district that a pupil attends under s. 118.51 or 121.84 (4) which elects to
4 provide transportation under s. 121.54 (10), shall be paid state aid for such
5 transportation at the rate of \$30 per school year per following rates:

6 1. For each pupil so transported whose residence is at least 2 miles and not more
7 than 5 miles from the school attended, \$45 per school year per \$30 per school year
8 in the 2005-06 school year and \$40 per school year thereafter.

9 2. For each pupil so transported whose residence is at least more than 5 miles
10 and not more than 8 miles from the school attended, \$60 per school year per \$45 per
11 school year in the 2005-06 school year and \$65 per school year thereafter.

12 3. For each pupil so transported whose residence is at least more than 8 miles
13 and not more than 12 miles from the school attended, \$68 per school year per \$82 per
14 school year in the 2005 school year and \$120 per school year thereafter.

15 4. For each pupil so transported whose residence is ~~at least 12 miles and not~~
16 ~~more than 15~~ 12 miles from the school attended, \$75 per school year per pupil so
17 ~~transported whose residence is at least 15 miles and not more than 18 miles from the~~
18 ~~school attended, and \$85 per school year per pupil so transported whose residence~~
19 ~~is more than 18 miles from the school attended. Such state~~ \$150 per school year in
20 the 2005-06 school year and \$200 per school year thereafter.

21 (am) State aid under par. (a) shall be reduced proportionately in the case of a
22 pupil transported for less than a full school year because of nonenrollment. State aid
23 for transportation shall not exceed the actual cost thereof. No state aid of any kind
24 may be paid to a school district which charges the pupil transported or his or her
25 parent or guardian any part of the cost of transportation provided under ss. 121.54

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(1) to (3), (5), (6) and (10) and 121.57 or which willfully or negligently fails to transport all pupils for whom transportation is required under s. 121.54.

***-0396/3.2* SECTION 1904.** 121.58 (2) (b) of the statutes is amended to read:

121.58 (2) (b) A school board that provides transportation under s. 121.54 (2) (am) shall be paid state aid for such transportation at the rates specified and according to the conditions established under ~~par. pars.~~ (a) and (am), except that the amount of state aid may not exceed the amount which the school district would receive for transporting the child between the child's residence and school attended under s. 121.54 (1) to (3), (5), (6) or (9) or 121.57.

***-0396/3.3* SECTION 1905.** 121.58 (2) (c) of the statutes is amended to read:

121.58 (2) (c) A school district which provides transportation to and from a school under s. 121.54 (9) shall be paid state aid for such transportation at the rate of \$12 per school year per pupil so transported in the 2005-06 school year and \$16 per school year per pupil so transported thereafter. Such state aid shall be reduced proportionately in the case of a pupil transported for less than a full year because of nonenrollment. State aid for such transportation shall not exceed the actual cost thereof.

***-0609/3.3* SECTION 1906.** 121.58 (6) of the statutes is amended to read:

121.58 (6) APPROPRIATION PRORATED. If the appropriation under s. 20.255 (2) (~~er~~) (qr) in any one year is insufficient to pay the full amount of approved claims under this section, state aid payments shall be prorated among the school districts entitled thereto.

***-1742/3.14* SECTION 1907.** 121.85 (6) (e) of the statutes is amended to read:

121.85 (6) (e) *Sources of aid payments.* State aid under this section shall be paid from the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and (af).

1 *–1742/3.15* SECTION 1908. 121.85 (8) of the statutes is amended to read:

2 121.85 (8) TRANSFERRED PUPILS. Pupils transferring schools under this section
3 shall be subject to the same rules and regulations as resident pupils and shall have
4 the responsibilities, privileges, and rights of resident pupils in the school district or
5 attendance area. Subject to this subsection, a pupil transferring schools under either
6 sub. (3) (a) or (b) has the right to complete his or her education at the elementary,
7 middle, or high school to which he or she transfers so long as full funding therefor
8 is available under s. 20.255 (2) (ac) and (af).

9 *–1742/3.16* SECTION 1909. 121.85 (9) (c) of the statutes is amended to read:

10 121.85 (9) (c) The obligation under par. (a) to organize planning councils shall
11 apply only with regard to school terms for which full pupil transfer aids are
12 appropriated under s. 20.255 (2) (ac) and (af) and planning council assistance funds
13 are appropriated under s. 20.255 (1) (a).

14 *–0605/2.1* SECTION 1910. 121.905 (1) of the statutes is amended to read:

15 121.905 (1) In this section, “revenue ceiling” means \$6,900, ~~except that~~
16 ~~“revenue ceiling” means \$7,400~~ \$8,100 in the 2003–04 ~~2005–06~~ school year and
17 ~~\$7,800~~ \$8,400 in any subsequent school year.

18 *–1592/1.1* SECTION 1911. 121.905 (3) (b) 1. of the statutes is amended to read:

19 121.905 (3) (b) 1. Except as provided under subd. 2. and s. 121.91 (8), divide the
20 result in par. (a) 1. by the sum of the average of the number of pupils enrolled in the
21 3 previous school years and the number of pupils enrolled who were school district
22 residents and solely enrolled in a special education program provided by a county
23 children with disabilities education board program in the previous school year.

24 *–1592/1.2* SECTION 1912. 121.91 (2m) (e) (intro.) of the statutes is amended

25 to read:

1 121.91 (2m) (e) (intro.) Except as provided in subs. (3) ~~and~~, (4), and (8), no
2 school district may increase its revenues for the 1999–2000 school year or for any
3 school year thereafter to an amount that exceeds the amount calculated as follows:

4 *–0607/2.1* SECTION 1913. 121.91 (4) (d) of the statutes is amended to read:

5 121.91 (4) (d) If a school district's revenue in the preceding school year was less
6 than the limit under sub. (2m) in the preceding school year, the limit otherwise
7 applicable to the school district's revenue in the current school year under sub. (2m)
8 is increased by an amount equal to ~~75%~~ of the difference between the amount of its
9 revenue in the preceding school year and the amount of the limit in the preceding
10 school year under sub. (2m).

11 *–0607/2.2* SECTION 1914. 121.91 (4) (dg) of the statutes is repealed.

12 *–0607/2.3* SECTION 1915. 121.91 (4) (dr) of the statutes is repealed.

13 *–1592/1.3* SECTION 1916. 121.91 (4) (f) 1. of the statutes is amended to read:

14 121.91 (4) (f) 1. ~~For~~ Except as provided in sub. (8), for the 1999–2000 school year
15 or any school year thereafter, if the average of the number of pupils enrolled in the
16 current and the 2 preceding school years is less than the average of the number of
17 pupils enrolled in the 3 previous school years, the limit otherwise applicable under
18 sub. (2m) (e) is increased by the additional amount that would have been calculated
19 had the decline in average enrollment been 25% of what it was.

20 *–1592/1.4* SECTION 1917. 121.91 (8) of the statutes is created to read:

21 121.91 (8) Beginning with the calculation of a school district's revenue limit for
22 the 2006–07 school year, a school district's base revenue per member under s. 121.905
23 (3) (b) 1., a school district's revenue limit under sub. (2m), and the adjustment for
24 declining enrollment under sub. (4) (f) shall be calculated as provided in those
25 sections and with a 5–year rolling average of enrollment instead of a 3–year rolling

1 average of enrollment. The result that provides a school district with the higher
2 revenue limit is the one in effect.

3 *~~1827/3.1~~* **SECTION 1918.** 125.12 (6) of the statutes is created to read:

4 125.12 (6) REVOCATION OR SUSPENSION OF INTOXICATING LIQUOR WHOLESALERS'
5 PERMITS FOR CERTAIN VIOLATIONS. (a) Any person may file a sworn written complaint
6 with the department alleging that an intoxicating liquor wholesaler has violated s.
7 125.54 (7) (a). The complaint shall identify the specific legal basis for the complaint
8 and sufficient facts for the department to determine whether there is cause to find
9 that a violation has occurred. The department shall provide a copy of the complaint
10 to any wholesaler against whom allegations are made, along with notice of the time
11 period under par. (b) to show cause why the wholesaler's permit should not be
12 revoked or suspended.

13 (b) Within 30 days of receiving a copy of the complaint under par. (a), any
14 wholesaler against whom allegations are made may file a sworn written response.

15 (c) Subject to par. (d), within 60 days of receiving any response under par. (b)
16 or, if no response is made, within 60 days of the date on which a response is due under
17 par. (b), the department shall make a written decision as to whether a violation has
18 occurred and either dismiss the complaint or take action under par. (e). Any decision
19 under this paragraph shall include findings of fact and conclusions of law and shall
20 state all reasons for the decision. The department shall provide a copy of the decision
21 to the complainant and to any wholesaler against whom allegations are made.

22 (d) Within 60 days of receiving any response under par. (b) or, if no response
23 is made, within 60 days of the date on which a response is due under par. (b), the
24 department may extend the time period for making a decision under par. (c) by an

1 additional 60 days if the department provides notice within the time period specified
2 in par. (c) that an additional 60 days is necessary for investigation.

3 (e) If the department finds the allegations true and sufficient, the department
4 shall either suspend for not less than 10 days nor more than 90 days or revoke the
5 wholesaler's permit, and give notice of the suspension or revocation to the
6 wholesaler.

7 (f) A revocation or suspension under this subsection is a contested case under
8 ch. 227.

9 *–1827/3.2* SECTION 1919. 125.145 of the statutes is amended to read:

10 **125.145 Prosecutions by attorney general or department.** Upon request
11 by the secretary of revenue, the attorney general may represent this state or assist
12 a district attorney in prosecuting any case arising under this chapter. The
13 department may represent this state in prosecuting any violation of s. 125.54 (7) (a)
14 or (b) and shall bring any such action in the circuit court for Dane County.

15 *–1827/3.3* SECTION 1920. 125.15 of the statutes is created to read:

16 **125.15 Actions against intoxicating liquor wholesalers.** If any
17 intoxicating liquor wholesaler, intoxicating liquor retail licensee or permittee, or
18 intoxicating liquor trade association makes a written complaint to the department
19 under s. 125.12 (6) of a violation of s. 125.54 (7) (a), and the department has not
20 rendered a decision within the time periods specified in s. 125.12 (6) (c) and (d), the
21 complaining party may bring an action to enforce the provisions of s. 125.54 (7) and
22 shall be entitled to recover reasonable attorney fees if found to be the prevailing
23 party.

24 *–1827/3.4* SECTION 1921. 125.54 (7) of the statutes is created to read:

1 125.54 (7) BONA FIDE WHOLESALERS. (a) 1. The premises described in a permit
2 issued under this section shall be capable of warehousing intoxicating liquor. Any
3 intoxicating liquor sold by the permittee shall be physically unloaded at the premises
4 described in the permit prior to being delivered to a retail licensee or permittee or to
5 another wholesaler.

6 2. A permittee under this section shall annually sell and deliver intoxicating
7 liquor to at least 10 retail licensees or permittees that do not have any direct or
8 indirect interest in each other or in the permittee under this section. The department
9 shall not issue a permit under this section unless the applicant represents to the
10 department an intention to satisfy this requirement, and shall not renew a permit
11 issued under this section unless the permittee demonstrates that this requirement
12 has been satisfied.

13 (b) No intoxicating liquor retail licensee or permittee may receive a benefit from
14 a violation under par. (a) with knowledge of the circumstances giving rise to the
15 violation.

16 (c) 1. In addition to imposing any penalty provided under s. 125.11, a court may
17 order a wholesaler who violates this subsection to forfeit an amount equal to any
18 profit gained by the wholesaler or by a retail licensee or permittee that violates par.
19 (b), or by both, resulting from the violation, and the court may further order that the
20 wholesaler's permit be revoked except that, if the wholesaler violates par. (a) 2., the
21 permit shall be revoked.

22 2. In addition to imposing any penalty provided under s. 125.11, a court may
23 order a retail licensee or permittee who violates this subsection to forfeit an amount
24 equal to any profit gained by the retail licensee or permittee resulting from the

1 violation, and the court may further order that the retail license or permit be
2 revoked.

3 3. This paragraph shall not affect the authority of any municipality or the
4 department to revoke, suspend, or refuse to renew or issue a license or permit under
5 s. 125.12.

6 (d) The department shall promulgate rules to administer and enforce the
7 requirements under this subsection. The rules shall ensure coordination between
8 the department's issuance and renewal of permits under this section and its
9 enforcement of the requirements of this subsection, and shall require that all
10 applications for issuance or renewal of permits under this section be processed by
11 department personnel generally familiar with activities of intoxicating liquor
12 wholesalers. The department shall establish by rule minimum requirements for
13 warehouse facilities on premises described in permits issued under this section and
14 for periodic site inspections by the department of such warehouse facilities.

15 *-1598/7.2* SECTION 1922. 134.65 (1) of the statutes is amended to read:

16 134.65 (1) No person, except a person who holds a valid permit under s. 139.345
17 or 139.795 and who sells cigarettes or tobacco products solely as a direct marketer,
18 shall in any manner, or upon any pretense, or by any device, directly or indirectly sell,
19 expose for sale, possess with intent to sell, exchange, barter, dispose of or give away
20 any cigarettes or tobacco products to any person not holding a license as herein
21 provided or a permit under ss. 139.30 to 139.41 or 139.79 without first obtaining a
22 license from the clerk of the city, village or town wherein such privilege is sought to
23 be exercised.

24 *-1598/7.3* SECTION 1923. 134.65 (1n) of the statutes is created to read:

1 134.65 (1n) (a) The department of revenue shall prepare an application form
2 for licenses issued under this section. In addition to the information required under
3 sub. (1m), the form shall require all of the following information:

4 1. The applicant's history relevant to the applicant's fitness to hold a license
5 under this section.

6 2. The kind of license for which the applicant is applying.

7 3. The premises where cigarettes or tobacco products will be sold or stored.

8 4. If the applicant is a corporation, the identity of the corporate officers and
9 agent.

10 5. If the applicant is a limited liability company, the identity of the company
11 members or managers and agent.

12 6. The applicant's trade name, if any.

13 7. Any other information required by the department.

14 (b) The department of revenue shall provide 1 copy of each application prepared
15 under this subsection to each city, village, and town.

16 (c) Each applicant for a license under this section shall use the application form
17 prepared under this subsection.

18 (d) 1. Each application for a license under this section shall be sworn to by the
19 applicant and the applicant shall submit the application with the clerk of the city,
20 village, or town where the intended place of sale is located.

21 2. Within 10 days of any change in any fact set forth in an application, the
22 applicant or license holder shall file a written description of the change with the clerk
23 of the city, village, or town where the application was submitted.

24 3. Any person may inspect applications submitted under this paragraph. The
25 clerk of each city, village, or town where such applications are submitted shall retain

1 all applications submitted under this paragraph, but may destroy all applications
2 that have been retained for 5 years or longer.

3 ***-1598/7.4* SECTION 1924.** 134.65 (1r) of the statutes is created to read:

4 134.65 (1r) (a) No license under sub. (1) may be issued to any person to whom
5 any of the following applies:

6 1. Subject to ss. 111.321, 111.322, and 111.335, the person has an arrest record
7 or a conviction record.

8 2. Subject to ss. 111.321, 111.322, and 111.335, the person has been convicted
9 of a felony, or as a repeat or habitual offender, unless pardoned.

10 3. The person has not submitted proof as provided under s. 77.61 (11).

11 (b) The requirements under par. (a) apply to all partners of a partnership, all
12 members of limited liability company, all agents of a limited liability company or
13 corporation, and all officers of a corporation. Subject to ss. 111.321, 111.322, and
14 111.335, if a business entity has been convicted of a crime, the entity may not be
15 issued a license under sub. (1) unless the entity has terminated its relationship with
16 the individuals whose actions directly contributed to the conviction.

17 ***-1598/7.5* SECTION 1925.** 134.65 (2) (a) of the statutes is amended to read:

18 134.65 (2) (a) ~~Except~~ Subject to sub. (1r), and except as provided in par. (b),
19 upon filing of a proper written application a license shall be issued on July 1 of each
20 year or when applied for and continue in force until the following June 30 unless
21 sooner revoked. The city, village or town may charge a fee for the license of not less
22 than \$5 nor more than \$100 per year which shall be paid to the city, village or town
23 treasurer before the license is issued.

24 ***-1598/7.6* SECTION 1926.** 134.65 (5) of the statutes is amended to read:

1 134.65 (5) Any person violating this section shall be fined not more than \$100
2 \$1,000 nor less than \$25 \$500 for the first offense and not more than \$200 \$5,000 nor
3 less than \$25 \$1,000 or imprisoned not exceeding 180 days or both for the 2nd or
4 subsequent offense. ~~If upon such 2nd or subsequent violation, the person so violating~~
5 ~~this section was personally guilty of a failure to exercise due care to prevent violation~~
6 ~~thereof, the person shall be fined not more than \$300 nor less than \$25 or imprisoned~~
7 ~~not exceeding 60 days or both.~~ Conviction Upon conviction of a 2nd or subsequent
8 offense, the court shall immediately terminate the license of the person convicted of
9 being personally guilty of such failure to exercise due care and the person shall not
10 be entitled to another license hereunder for a period of 5 years thereafter, nor shall
11 the person in that period act as the servant or agent of a person licensed hereunder
12 for the performance of the acts authorized by such license.

13 *~~1598/7.7~~* SECTION 1927. 134.66 (1) (a) of the statutes is amended to read:

14 134.66 (1) (a) "Cigarette" has the meaning given in s. 139.30 ~~(1)~~ (1m).

15 *~~1598/7.8~~* SECTION 1928. 134.66 (1) (am) of the statutes is created to read:

16 134.66 (1) (am) "Direct marketer" has the meaning given in s. 139.30 (2n).

17 *~~1598/7.9~~* SECTION 1929. 134.66 (2) (a) of the statutes is amended to read:

18 134.66 (2) (a) No retailer, direct marketer, manufacturer, distributor, jobber or
19 subjobber, no agent, employee or independent contractor of a retailer, direct
20 marketer, manufacturer, distributor, jobber or subjobber and no agent or employee
21 of an independent contractor may sell or provide for nominal or no consideration
22 cigarettes or tobacco products to any person under the age of 18, except as provided
23 in s. 254.92 (2) (a). A vending machine operator is not liable under this paragraph
24 for the purchase of cigarettes or tobacco products from his or her vending machine

1 by a person under the age of 18 if the vending machine operator was unaware of the
2 purchase.

3 *-1598/7.10* SECTION 1930. 134.66 (2) (am) of the statutes is amended to read:

4 134.66 (2) (am) No retailer, direct marketer, manufacturer, distributor, jobber,
5 subjobber, no agent, employee or independent contractor of a retailer, direct
6 marketer, manufacturer, distributor, jobber or subjobber and no agent or employee
7 of an independent contractor may provide for nominal or no consideration cigarettes
8 or tobacco products to any person except in a place where no person younger than 18
9 years of age is present or permitted to enter unless the person who is younger than
10 18 years of age is accompanied by his or her parent or guardian or by his or her spouse
11 who has attained the age of 18 years.

12 *-1598/7.11* SECTION 1931. 134.66 (2) (d) of the statutes is amended to read:

13 134.66 (2) (d) No manufacturer, direct marketer, distributor, jobber, subjobber
14 or retailer, or their employees or agents, may provide cigarettes or tobacco products
15 for nominal or no consideration to any person under the age of 18.

16 *-1598/7.12* SECTION 1932. 134.66 (2) (e) of the statutes is amended to read:

17 134.66 (2) (e) No retailer or direct marketer may sell cigarettes in a form other
18 than as a package or container on which a stamp is affixed under s. 139.32 (1).

19 *-1598/7.13* SECTION 1933. 134.66 (3m) of the statutes is created to read:

20 134.66 (3m) DEFENSE OF DIRECT MARKETER. Proof of all of the following facts by
21 a direct marketer who sells cigarettes or tobacco products to a person under the age
22 of 18 is a defense to any prosecution for a violation under sub. (2) (a):

23 (a) That the direct marketer used a mechanism, approved by the department
24 of revenue, for verifying the age of the purchaser.

1 (b) That the purchaser falsely represented that he or she had attained the age
2 of 18 and presented a copy or facsimile of an identification card.

3 (c) That the name and birthdate of the purchaser, as indicated by the purchaser,
4 matched the name and birthdate on the identification presented under par. (b).

5 (d) That the sale was made in good faith, in reasonable reliance on the
6 mechanism described in par. (a) and the representation and identification under
7 pars. (b) and (c), and in the belief that the purchaser had attained the age of 18.

8 ***-1243/P3.90* SECTION 1934.** 134.71 (12) of the statutes is amended to read:

9 134.71 (12) APPLICATIONS AND FORMS. The department of agriculture, trade, and
10 ~~consumer protection~~ rural resources, in consultation with the department of justice,
11 shall develop applications and other forms required under subs. (5) (intro.) and (8)
12 (c). The department of agriculture, trade, and rural resources shall print a sufficient
13 number of applications and forms to provide to counties and municipalities for
14 distribution to pawnbrokers, secondhand article dealers, and secondhand jewelry
15 dealers at no cost.

16 ***-1243/P3.91* SECTION 1935.** 136.03 (title) of the statutes is amended to read:

17 **136.03 (title) Duties of the department of agriculture, trade and**
18 **~~consumer protection~~ justice.**

19 ***-1243/P3.92* SECTION 1936.** 136.03 (1) (intro.) of the statutes is amended to
20 read:

21 136.03 (1) (intro.) The department of ~~agriculture, trade and consumer~~
22 ~~protection~~ justice shall investigate violations of this chapter and of rules and orders
23 issued under s. 136.04. The department of justice may subpoena persons and records
24 to facilitate its investigations, and may enforce compliance with such subpoenas as
25 provided in s. 885.12. The department of justice may ~~in~~ on behalf of the state:

1 *-1243/P3.93* SECTION 1937. 136.04 of the statutes is amended to read:

2 **136.04 Powers of the department of agriculture, trade and consumer**
3 **protection justice.** (1) The department of agriculture, trade and consumer
4 protection justice may adopt such rules as may be required to carry out the purposes
5 of this chapter.

6 (2) The department of ~~agriculture, trade and consumer protection~~ justice after
7 public hearing may issue general or special orders to carry out the purposes of this
8 chapter and to determine and prohibit unfair trade practices in business or unfair
9 methods of competition in business pursuant to s. 100.20 (2) to (4).

10 *-1649/9* SECTION 1938. 139.02 (1) of the statutes is amended to read:

11 139.02 (1) TAX IMPOSED; RATE; LIMITATION. An ~~occupational~~ excise tax is imposed
12 upon the removal for consumption or sale or selling of fermented malt beverages at
13 the rate of \$2 per barrel of 31 gallons and at a proportionate rate for any other
14 quantity or fractional parts thereof. Not more than one ~~occupational~~ excise tax shall
15 be required to be paid on any one container of fermented malt beverages.

16 *-1649/9* SECTION 1939. 139.03 (intro.) of the statutes is amended to read:

17 **139.03 Liquor tax.** (intro.) An ~~occupational~~ excise tax is imposed upon the
18 selling of intoxicating liquor as follows:

19 *-1649/9* SECTION 1940. 139.03 (3) of the statutes is amended to read:

20 139.03 (3) Not more than one ~~occupational~~ excise tax shall be required to be
21 paid on any one container of intoxicating liquor.

22 *-1649/9* SECTION 1941. 139.05 (2) of the statutes is amended to read:

23 139.05 (2) Each brewer and bottler in this state and each wholesaler of malt
24 beverages within this state to whom malt beverages are shipped from outside this
25 state shall on or before the fifteenth day of each month file with the secretary on

1 forms prescribed by the secretary a verified return containing such information as
2 may be required to compute and show the amount of ~~occupational~~ excise tax payable
3 by the brewer, bottler or wholesaler or by the shipper for the next preceding calendar
4 month on malt beverages.

5 ***-1649/9* SECTION 1942.** 139.05 (3) of the statutes is amended to read:

6 139.05 (3) The amount of the ~~occupational~~ excise tax disclosed by the return
7 shall accompany the return and shall be paid to the department.

8 ***-1820/1.2* SECTION 1943.** 139.06 (1) (a) of the statutes is amended to read:

9 139.06 (1) (a) The taxes imposed under s. 139.03 (intro.) on intoxicating liquor
10 at the rates under s. 139.03 (2m) shall be paid to, and a monthly return filed with,
11 the department of revenue on or before the 15th of the month following the month
12 in which the tax liability is incurred. An administrative fee of ~~3~~ 11 cents per gallon
13 on intoxicating liquor taxed at the rates under s. 139.03 (2m) is imposed, shall be paid
14 along with the taxes and shall be deposited in the appropriation under s. 20.566 (1)
15 (ha).

16 ***-1649/9* SECTION 1944.** 139.09 of the statutes is amended to read:

17 **139.09 Registration.** Every brewer, bottler, manufacturer, rectifier,
18 wholesaler or retailer liable for payment of the ~~occupational~~ excise tax imposed in
19 ss. 139.01 to 139.25 shall hold a valid certificate under s. 73.03 (50). The secretary
20 shall assign the person a registration number.

21 ***-1598/7.14* SECTION 1945.** 139.30 (1) of the statutes is renumbered 139.30
22 (1m).

23 ***-1598/7.15* SECTION 1946.** 139.30 (1d) of the statutes is created to read:

24 139.30 (1d) "Bonded direct marketer" means any person who acquires
25 unstamped cigarettes from the manufacturer thereof, affixes stamps to the packages

1 or other containers, stores them and sells them by direct marketing to consumers for
2 their own personal use and who may also acquire stamped cigarettes from
3 manufacturers or distributors for such sales.

4 ***-1598/7.16* SECTION 1947.** 139.30 (1s) of the statutes is created to read:

5 139.30 (1s) "Consumer" means any individual who receives cigarettes for his
6 or her personal use or consumption or any individual who has title to or possession
7 of cigarettes for any purpose other than for sale or resale.

8 ***-1598/7.17* SECTION 1948.** 139.30 (2n) of the statutes is created to read:

9 139.30 (2n) "Direct marketer" means a bonded direct marketer or a nonbonded
10 direct marketer.

11 ***-1598/7.18* SECTION 1949.** 139.30 (2p) of the statutes is created to read:

12 139.30 (2p) "Direct marketing" means publishing or making accessible an offer
13 for the sale of cigarettes to consumers in this state, or selling cigarettes to consumers
14 in this state, using any means by which the consumer is not physically present at the
15 time of sale on a premise that sells cigarettes.

16 ***-1598/7.19* SECTION 1950.** 139.30 (3) of the statutes is amended to read:

17 139.30 (3) "Distributor" means any person who acquires unstamped cigarettes
18 from the manufacturer thereof, affixes stamps to the packages or other containers,
19 stores them and sells them to other permittees or to retailers for resale ~~or~~ and who
20 acquires may acquire stamped cigarettes from another permittee manufacturers or
21 distributors for such sales.

22 ***-1598/7.20* SECTION 1951.** 139.30 (4n) of the statutes is created to read:

23 139.30 (4n) "Identification card" has the meaning given in s. 134.66 (1) (c).

24 ***-1598/7.21* SECTION 1952.** 139.30 (7) of the statutes is amended to read:

1 139.30 (7) "Manufacturer" means any person who directly manufactures
2 cigarettes for the purpose of sale, including the authorized agent of a person who
3 directly manufactures cigarettes for the purpose of sale.

4 *-1598/7.22* SECTION 1953. 139.30 (8d) of the statutes is created to read:

5 139.30 (8d) "Nonbonded direct marketer" means any person who acquires
6 stamped cigarettes from the manufacturers or distributors, stores them, and sells
7 them by direct marketing to consumers for their own personal use.

8 *-1598/7.23* SECTION 1954. 139.30 (8s) of the statutes is created to read:

9 139.30 (8s) "Person" means any individual, sole proprietorship, partnership,
10 limited liability company, corporation, or association, or any owner of a single-owner
11 entity that is disregarded as a separate entity under ch. 71.

12 *-1598/7.24* SECTION 1955. 139.30 (10) of the statutes is amended to read:

13 139.30 (10) "Retailer" means ~~any person who sells, exposes for sale or possesses~~
14 ~~with intent to sell to consumers any cigarettes~~ has the meaning given in s. 134.66 (1)
15 (g).

16 *-1598/7.25* SECTION 1956. 139.32 (1) of the statutes is amended to read:

17 139.32 (1) The tax imposed by s. 139.31 (1) shall be paid. To evidence the
18 payment, the department shall provide stamps. A person who has paid the tax shall
19 affix stamps of the proper denomination to each package in which cigarettes are
20 packed, prior to the first sale within this state. First sale does not include a sale by
21 a manufacturer to a distributor or to a bonded direct marketer or by a distributor to
22 a permittee who has obtained department approval as provided for in s. 139.321 (1)
23 (a) 2. The tax shall be paid only once on each package or container.

24 *-1598/7.26* SECTION 1957. 139.32 (4) of the statutes is amended to read:

SECTION 1957

1 139.32 (4) In lieu of stamps the secretary may authorize impressions applied
2 by the use of meter machines. The secretary shall prescribe by rule the type of
3 impression and the kind of machines which may be used.

4 *-1598/7.27* SECTION 1958. 139.32 (5) of the statutes is amended to read:

5 139.32 (5) Manufacturers, bonded direct marketers, and distributors having
6 a ~~permit from the secretary~~ who are authorized by the department to purchase tax
7 stamps shall receive a discount of 1.6% of the tax paid on stamp purchases.

8 *-1598/7.28* SECTION 1959. 139.32 (5m) of the statutes is amended to read:

9 139.32 (5m) Distributors, bonded direct marketers, and manufacturers shall
10 pay to the department the cost of printing and shipping those stamps.

11 *-1598/7.29* SECTION 1960. 139.32 (6) of the statutes is amended to read:

12 139.32 (6) Manufacturers, bonded direct marketers, and distributors having
13 a ~~permit from the secretary~~ who are authorized by the department to purchase tax
14 stamps may purchase stamps on credit. The secretary may require manufacturers,
15 bonded direct marketers, and distributors who purchase stamps on credit to file
16 under the conditions prescribed by the secretary by rule.

17 *-1598/7.30* SECTION 1961. 139.321 (1) (intro.) of the statutes is amended to
18 read:

19 139.321 (1) (intro.) It is unlawful for any person to possess ~~in excess of 400~~
20 cigarettes unless the required stamps are properly affixed as provided in ss. 139.32
21 (1) and 139.33 (4).

22 *-1598/7.31* SECTION 1962. 139.321 (1) (a) 1. of the statutes is amended to
23 read:

24 139.321 (1) (a) 1. Manufacturers, bonded direct marketers, distributors or
25 warehouse operators possessing valid permits issued by the secretary.

1 *-1598/7.32* SECTION 1963. 139.33 (3) of the statutes is amended to read:

2 139.33 (3) No person other than a member of the armed forces, as specified in
3 this subsection, a licensed distributor, or a bonded direct marketer who is authorized
4 by the department to purchase and affix tax stamps may import into this state ~~more~~
5 ~~than 400~~ cigarettes on which the excise tax imposed by s. 139.31 has not been paid
6 and the container of which does not bear proper stamps. Within 15 days, any such
7 person importing cigarettes shall file a declaration of such cigarettes imported and
8 shall remit therewith the tax on such cigarettes imposed by this section. Members
9 of the armed forces shall not be required to report or pay the tax on cigarettes in their
10 possession if such cigarettes are issued to them by the U.S. government or any of its
11 subdivisions or were purchased in any armed forces post exchange or service store
12 for their personal use or consumption. If the use tax imposed by this section is not
13 paid when due, it shall become delinquent and the person liable for it shall pay, in
14 addition, a penalty of \$25 for each 200 cigarettes. Interest on the delinquent tax and
15 penalty shall accrue at the rate of 1.5% per month or each fraction of a month from
16 the date the tax became due until paid.

17 *-1598/7.33* SECTION 1964. 139.34 (1) (a) of the statutes is amended to read:

18 139.34 (1) (a) No person may manufacture cigarettes in this state or sell
19 cigarettes in this state as a distributor, manufacturer, jobber, vending machine
20 operator, direct marketer, or multiple retailer and no person may operate a
21 warehouse in this state for the storage of cigarettes for another person without first
22 filing an application for and obtaining the proper permit to perform such operations
23 from the department.

24 *-1598/7.34* SECTION 1965. 139.34 (1) (b) of the statutes is repealed.

SECTION 1966

1 ***-1598/7.35* SECTION 1966.** 139.34 (1) (c) (intro.) of the statutes is amended
2 to read:

3 139.34 (1) (c) (intro.) ~~Subject to ss. 111.321, 111.322 and 111.335, no~~ No permit
4 under this section may be granted to any person to whom any of the following applies:

5 ***-1598/7.36* SECTION 1967.** 139.34 (1) (c) 1. to 6. of the statutes are repealed.

6 ***-1598/7.37* SECTION 1968.** 139.34 (1) (c) 1m. of the statutes is created to read:

7 139.34 (1) (c) 1m. Subject to ss. 111.321, 111.322, and 111.335, the person has
8 an arrest record or a conviction record.

9 ***-1598/7.38* SECTION 1969.** 139.34 (1) (c) 2m. of the statutes is created to read:

10 139.34 (1) (c) 2m. Subject to ss. 111.321, 111.322, and 111.335, the person has
11 been convicted of a felony, or as a repeat or habitual offender, unless pardoned.

12 ***-1598/7.39* SECTION 1970.** 139.34 (1) (c) 3m. of the statutes is created to read:

13 139.34 (1) (c) 3m. The person has not submitted proof as provided under s.
14 77.61 (11).

15 ***-1598/7.40* SECTION 1971.** 139.34 (1) (cm) of the statutes is created to read:

16 139.34 (1) (cm) The requirements under par. (c) apply to all partners of a
17 partnership, all members of a limited liability company, all agents, director, and
18 shareholders, of a limited liability company or corporation, and all officers of a
19 corporation. Subject to ss. 111.321, 111.322, and 111.335, if a business entity has
20 been convicted of a crime, the entity may not be issued a permit under this subsection
21 unless the entity has terminated its relationship with the individuals whose actions
22 directly contributed to the conviction.

23 ***-1598/7.41* SECTION 1972.** 139.34 (3) of the statutes is amended to read:

24 139.34 (3) No distributor or bonded direct marketer may affix stamps to
25 cigarette packages, as provided in s. 139.32, unless the distributor or bonded direct

1 marketer certifies to the department, in a manner prescribed by the department,
2 that the distributor or bonded direct marketer purchases cigarettes directly from a
3 manufacturer.

4 ***-1598/7.42* SECTION 1973.** 139.34 (4) of the statutes is amended to read:

5 139.34 (4) A separate permit shall be required of and issued to each class of
6 permittee and the holder of any permit shall perform only the operations thereby
7 authorized. Such permit shall not be transferable from one person to another or from
8 one premises to another. A separate permit shall be required for each place where
9 cigarettes are stamped or where cigarettes are stored for sale at wholesale ~~or~~,
10 through vending machines or multiple retail outlets, or by direct marketing.

11 ***-1598/7.43* SECTION 1974.** 139.34 (6) of the statutes is amended to read:

12 139.34 (6) A vending machine operator or a multiple retailer may acquire
13 unstamped cigarettes from the manufacturers thereof and affix the stamps to
14 packages or other containers only if the vending machine operator or multiple
15 retailer also holds a permit as a distributor or bonded direct marketer.

16 ***-1598/7.44* SECTION 1975.** 139.34 (8) of the statutes is amended to read:

17 139.34 (8) The holder of a warehouse permit is entitled to store cigarettes on
18 the premises described in the permit. The warehouse permit shall not authorize the
19 holder to sell cigarettes. Unstamped cigarettes stored in a warehouse for a
20 manufacturer, bonded direct marketer, or distributor may be delivered only to a
21 person holding a permit as a manufacturer ~~or~~, distributor, or bonded direct marketer
22 who is authorized by the department to purchase and affix tax stamps.

23 ***-1598/7.45* SECTION 1976.** 139.345 of the statutes is created to read:

24 **139.345 Direct marketing.** (1) (a) (intro.) No person may sell cigarettes to
25 consumers in this state as a direct marketer or solicit sales of cigarettes to consumers

SECTION 1976

1 in this state by direct marketing unless the person has obtained a permit from the
2 department to make such sales or solicitations. The person shall file an application
3 for a permit under this subsection with the department, in the manner prescribed
4 by the department, and shall submit the following fee with the application:

5 1. If the person sells less than 600,000 cigarettes annually to consumers in this
6 state by direct marketing, \$500.

7 2. If the person sells 600,000 or more cigarettes annually to consumers in this
8 state by direct marketing, \$1,000.

9 (b) A permit issued under par. (a) expires on December 31 of each year.

10 (c) The department may not issue a permit to a person under par. (a) unless the
11 person certifies to the department, in the manner prescribed by the department, that
12 the person shall acquire stamped cigarettes from a licensed distributor or
13 unstamped cigarettes from the manufacturer thereof, pay the tax imposed under this
14 subchapter on all unstamped cigarettes and affix stamps to the cigarette packages
15 or containers as provided under s. 139.32 (1), store such packages or containers, and
16 sell only such packages or containers to consumers in this state by direct marketing;
17 or acquire cigarettes from a distributor, to the packages or containers of which
18 stamps have been affixed as provided under s. 139.32 (1), and sell only such packages
19 or containers to consumers in this state by direct marketing.

20 (d) No person may be issued a permit under this subsection unless the person
21 certifies to the department, in the manner prescribed by the department, that all
22 cigarette sales to consumers in this state shall be credit card transactions; that the
23 invoices and all means of solicitation for all shipments of cigarette sales from the
24 person shall bear the person's name and address and permit ultimately issued under

1 this subsection; and that the person shall provide the department any information
2 the department considers necessary to administer this section.

3 (2) (a) No person may purchase tax stamps in excess of the number of cigarette
4 sales specified in his or her permit under sub. (1) (a) unless the person pays the
5 permit fee under sub. (1) (a) that is applicable to the excess amount.

6 (b) No person may sell cigarettes in excess of the number of cigarette sales
7 specified in his or her permit under sub. (1) (a) unless the person pays the permit fee
8 under sub. (1) (a) that is applicable to the excess sales. Any person who sells
9 cigarettes in excess of the number of cigarette sales specified in his or her permit
10 shall pay a penalty to the department of \$1,000 or an amount that is equal to \$50 for
11 every 200 cigarettes, or fraction of 200 cigarettes, whichever is greater.

12 (3) (a) No person may sell cigarettes to consumers in this state by direct
13 marketing unless the tax imposed under s. 139.31 (1) is paid on such cigarettes and
14 stamps are affixed to the cigarette packages or containers as provided under s.
15 139.32.

16 (b) No person may sell cigarettes to consumers in this state by direct marketing
17 unless the tax imposed under s. 77.52 or 77.53 is paid on the sale of such cigarettes.

18 (c) No person may sell cigarettes to consumers in this state by direct marketing
19 unless the cigarette brands are approved by the department and listed in the
20 directory of certified tobacco product manufacturers and brands as provided under
21 s. 895.12 (2) (b).

22 (4) No person may sell cigarettes to a consumer in this state by direct
23 marketing unless the person verifies the consumer's identity and that the consumer
24 is at least 18 years of age by any of the following methods:

1 (a) The person uses a database, approved by the department, that includes
2 information based on public records to verify the consumer's age and identity.

3 (b) The person receives from the consumer, at the time of purchase, a notarized
4 copy of an identification card, the name specified on the identification matches the
5 name of the consumer, and the birth date on the identification verifies that the
6 purchaser is at least 18 years of age.

7 (c) The person uses a mechanism, other than a mechanism under par. (a) or (b),
8 for verifying the age and identity of a consumer that is approved by the department.

9 (5) Any person who, without having a valid permit under sub. (1), sells or
10 solicits sales of cigarettes to consumers in this state by direct marketing shall pay
11 a penalty to the department of \$5,000 or an amount that is equal to \$50 for every 200
12 cigarettes, or fraction of 200 cigarettes, sold to consumers in this state by direct
13 marketing, whichever is greater.

14 (6) (a) No sale of cigarettes to a consumer in this state by direct marketing may
15 exceed 10 cartons for each invoice or 20 cartons in a 30-day period for each purchaser
16 or address.

17 (b) Any person who sells cigarettes that exceed the maximum amounts under
18 par. (a) shall pay a penalty to the department of \$5,000 or an amount that is equal
19 to \$50 for every 200 cigarettes, or major fraction of 200 cigarettes, sold above the
20 maximum amounts, whichever is greater.

21 (c) Any person who purchases cigarettes that exceed the maximum amounts
22 under par. (a) shall apply for a permit under s. 139.34 and shall pay a penalty to the
23 department of \$25 for every 200 cigarettes, or fraction of 200 cigarettes, purchased
24 above the maximum amounts.

1 (7) No cigarettes may be shipped to a person who is under 18 years of age and
2 no cigarettes may be shipped to a post-office box. Every package used to ship
3 cigarettes that are sold as provided under this section and delivered to a person in
4 this state shall be clearly labeled to indicate that the package contains cigarettes and
5 may not be delivered to a person who is under 18 years of age.

6 *~~1598/7.46~~* SECTION 1977. 139.35 (1) of the statutes is amended to read:

7 139.35 (1) TRANSFERS. No person may give, sell or lend any stamps to another
8 and no person may accept, purchase or borrow any stamps from another. All sales
9 and transfers of stamps may be made only by the secretary to permit holding
10 manufacturers and, distributors, and bonded direct marketers who are authorized
11 by the department to purchase and affix tax stamps.

12 *~~1598/7.47~~* SECTION 1978. 139.37 (1) (a) of the statutes is amended to read:

13 139.37 (1) (a) No person shall sell cigarettes or ~~take orders for cigarettes for~~
14 ~~resale~~ solicit cigarette sales in this state ~~for any manufacturer or permittee without~~
15 ~~first obtaining a~~ unless the person has filed an application for and obtained a valid
16 certificate under s. 73.03 (50) and a salesperson's permit from the department of
17 revenue. No manufacturer or permittee shall authorize any person to sell cigarettes
18 ~~or take orders for cigarettes~~ solicit cigarette sales in this state ~~without first having~~
19 ~~such person secure~~ unless the person has filed an application for and obtained a valid
20 certificate under s. 73.03 (50) and a salesperson's permit. No person shall authorize
21 the sale or solicitation of cigarettes in this state unless the person has filed an
22 application for and obtained a valid certificate under s. 73.03 (50) and a valid permit
23 under s. 139.34. The department shall issue the required number of permits to
24 ~~manufacturers and permittees who hold a valid certificate issued under s. 73.03 (50).~~
25 Each application for a permit shall disclose the name and address of the employer

1 or the person for whom the sales person is soliciting and such permit shall remain
2 effective only while the salesperson represents such named employer or person. If
3 such salesperson is thereafter employed by another ~~manufacturer or permittee~~
4 person, the salesperson shall obtain a new salesperson's permit. Each ~~manufacturer~~
5 and permittee shall notify the department within 10 days after the resignation or
6 dismissal of any such salesperson holding a permit.

7 ***-1598/7.48* SECTION 1979.** 139.38 (1) of the statutes is amended to read:

8 139.38 (1) Every manufacturer located out of the state shall keep records of all
9 sales of cigarettes shipped into this state. Every manufacturer located in the state
10 shall keep records of production, sales and withdrawals of cigarettes. Every
11 distributor and direct marketer shall keep records of purchases and sales of
12 cigarettes. Every manufacturer, bonded direct marketer, and distributor ~~holding a~~
13 ~~permit from the secretary with the right who is authorized by the department to~~
14 purchase and apply stamps shall also keep records of purchases and disposition of
15 stamps. Every jobber, multiple retailer, and vending machine operator shall keep
16 records of all purchases and disposition of cigarettes. Every warehouse operator
17 shall keep records of receipts and withdrawals of cigarettes. All such records shall
18 be accurate and complete and be kept in a manner prescribed by the secretary. These
19 records shall be preserved on the premises described in the permit or license in such
20 a manner as to ensure permanency and accessibility for inspection at reasonable
21 hours by authorized personnel of the department.

22 ***-1598/7.49* SECTION 1980.** 139.38 (1m) of the statutes is created to read:

23 139.38 (1m) Records of purchases and sales of cigarettes under sub. (1) that
24 are kept by direct marketers shall indicate, for each shipment of cigarettes into this
25 state in the month preceding the report under sub. (2), the invoice date and number;

1 the quantity of cigarettes shipped; the brand name of the cigarettes shipped; the
2 manufacturer of the cigarettes shipped and the point of origin; the purchaser's name,
3 address, and birth date; the name of the person to whom the cigarettes were shipped;
4 the address to which the cigarettes were shipped; and any other information the
5 department requires.

6 *~~1598/7.50~~* SECTION 1981. 139.38 (2) of the statutes is amended to read:

7 139.38 (2) (a) Except as provided in par. (b), every permittee manufacturer,
8 distributor, jobber, and direct marketer shall render a true and correct invoice of
9 every sale of cigarettes ~~at wholesale~~ and every permittee shall on or before the 15th
10 day of each calendar month file a verified report of all cigarettes purchased, sold,
11 received, warehoused or withdrawn during the preceding calendar month.

12 (b) The department may allow any jobber, multiple retailer, nonbonded direct
13 marketer, or vending machine operator permittee who does not sell cigarettes, except
14 for those on which the tax under this chapter is paid, to file a quarterly report. The
15 quarterly report shall be filed on or before the 15th day of the next month following
16 the close of each calendar quarter. The report shall specify the number of cigarettes
17 purchased and sold during the preceding calendar quarter.

18 *~~1598/7.51~~* SECTION 1982. 139.39 (6) of the statutes is amended to read:

19 139.39 (6) Sections 71.74 (1), (2), (10), (11) and (14), 71.77, 71.80 (12), 71.91 (1)
20 (a) and (c) and (2) to (7), 71.92 and 73.0301 as they apply to the taxes under ch. 71
21 apply to the taxes under this subchapter. Section 71.74 (13) as it applies to the
22 collection of the taxes under ch. 71 applies to the collection of the taxes under this
23 subchapter, except that the period during which notice of an additional assessment
24 shall be given begins on the due date of the report under this subchapter. Section
25 78.70 (6) as it applies to personal liability for paying taxes, interest, penalties, and

1 other charges under ch. 78 applies to personal liability for paying taxes, interest,
2 penalties, and other charges under this subchapter.

3 *-1598/7.52* SECTION 1983. 139.395 of the statutes is amended to read:

4 **139.395 Theft of tax moneys.** All cigarette tax moneys received by a
5 distributor, bonded direct marketer, or manufacturer for the sale of cigarettes on
6 which the tax under this subchapter has become due and has not been paid are trust
7 funds in the hands of the distributor, bonded direct marketer, or manufacturer and
8 are the property of this state. Any distributor, bonded direct marketer, or
9 manufacturer who fraudulently withholds, appropriates or otherwise uses cigarette
10 tax moneys that are the property of this state is guilty of theft under s. 943.20 (1),
11 whether or not the distributor, bonded direct marketer, or manufacturer has or
12 claims to have an interest in those moneys.

13 *-1598/7.53* SECTION 1984. 139.40 (2) of the statutes is amended to read:

14 139.40 (2) ~~If cigarettes which do not bear the proper tax stamps or on which~~
15 ~~the tax has not been paid~~ Cigarettes that are so seized they as provided under sub.
16 (1) may be given to law enforcement officers to use in criminal investigations or sold
17 to qualified buyers by the secretary, without notice. If the cigarettes are sold, after
18 deducting the costs of the sale and ~~the keeping of~~ storing the property, the proceeds
19 of the sale shall be paid into the state treasury. If the secretary finds that such
20 cigarettes may deteriorate or become unfit for use in criminal investigations or for
21 sale or that those uses would otherwise be impractical, the secretary may order them
22 destroyed or give them to a charitable or penal institution for free distribution to
23 patients or inmates.

24 *-1598/7.54* SECTION 1985. 139.44 (3) of the statutes is amended to read:

1 139.44 (3) Any permittee who fails to keep the records required by ss. 139.30
2 to 139.42 or 139.77 to 139.82 shall be fined not less than \$100 \$500 nor more than
3 \$500 \$1,000 for the first offense and shall be fined not less than \$1,000 nor more than
4 \$5,000 or imprisoned not more than 6 months 180 days or both for the 2nd or
5 subsequent offense.

6 ***-1598/7.55* SECTION 1986.** 139.44 (4) of the statutes is amended to read:

7 139.44 (4) Any person who refuses to permit the examination or inspection
8 authorized in s. 139.39 (2) or 139.83 may be fined not ~~more~~ less than \$500 nor more
9 than \$1,000 or imprisoned not more than 90 180 days or both. Such refusal shall be
10 cause for immediate suspension or revocation of permit by the secretary.

11 ***-1598/7.56* SECTION 1987.** 139.44 (6m) of the statutes is created to read:

12 139.44 (6m) Any person who manufactures or sells cigarettes in this state
13 without holding the proper permit issued under this subchapter is guilty of a Class
14 I felony.

15 ***-1598/7.57* SECTION 1988.** 139.44 (7) of the statutes is amended to read:

16 139.44 (7) In addition to the penalties imposed for violation of ss. 139.30 to
17 139.41 or 139.75 to 139.83 or any of the rules of the department, the permit of any
18 person convicted of a 2nd or subsequent offense shall be automatically revoked and
19 he or she, the person shall not be granted another permit for a period of 2 5 years
20 following such revocation, and, for the 5 year period following revocation, the person
21 shall not act as the employee or agent of a permittee under this subchapter to perform
22 acts authorized by any permit issued to the permittee under this subchapter.

23 ***-1598/7.58* SECTION 1989.** 139.45 of the statutes is amended to read:

1 **139.45 Prosecutions by attorney general.** Upon request by the secretary
2 of revenue, the attorney general may represent this state or assist a district attorney
3 in prosecuting any case arising under this subchapter or under ss. 134.65 and 134.66.

4 *–1598/7.59* **SECTION 1990.** 139.75 (2) of the statutes is amended to read:

5 139.75 (2) “Consumer” means any individual who receives tobacco products for
6 his or her personal use or consumption or any person individual who has title to or
7 possession of tobacco products ~~in storage for use or other consumption in this state~~
8 any purpose other than for sale or resale.

9 *–1598/7.60* **SECTION 1991.** 139.75 (3g) of the statutes is created to read:

10 139.75 (3g) “Direct marketer” means any person who solicits or sells tobacco
11 products to consumers in this state by direct marketing.

12 *–1598/7.61* **SECTION 1992.** 139.75 (3r) of the statutes is created to read:

13 139.75 (3r) “Direct marketing” means publishing or making accessible an offer
14 for the sale of tobacco products to consumers in this state, or selling tobacco products
15 to consumers in this state, using any means by which the consumer is not physically
16 present on a premise that sells tobacco products.

17 *–1598/7.62* **SECTION 1993.** 139.75 (4) (a) of the statutes is amended to read:

18 139.75 (4) (a) Any person in this state engaged in the business of selling tobacco
19 products ~~in this state~~ who brings, or causes to be brought, into this state from outside
20 the state any tobacco products for sale;

21 *–1598/7.63* **SECTION 1994.** 139.75 (4) (c) of the statutes is amended to read:

22 139.75 (4) (c) Any person outside this state engaged in the business of selling
23 tobacco products ~~outside this state~~ who ships or transports tobacco products to
24 retailers in this state to be sold by those retailers.

25 *–1598/7.64* **SECTION 1995.** 139.75 (4) (cm) of the statutes is created to read:

1 139.75 (4) (cm) Any person outside this state engaged in the business of selling
2 tobacco products who ships or transports tobacco products to consumers in this state.

3 *–1598/7.65* **SECTION 1996.** 139.75 (4n) of the statutes is created to read:

4 139.75 (4n) “Identification card” has the meaning given in s. 134.66 (1) (c).

5 *–1598/7.66* **SECTION 1997.** 139.75 (5s) of the statutes is created to read:

6 139.75 (5s) “Person” means any individual, sole proprietorship, partnership,
7 limited liability company, corporation, or association, or any owner of a single-owner
8 entity that is disregarded as a separate entity under ch. 71.

9 *–1598/7.67* **SECTION 1998.** 139.75 (7) of the statutes is amended to read:

10 139.75 (7) “Retail outlet” means each place of business from which tobacco
11 products are sold to consumers by a retailer.

12 *–1598/7.68* **SECTION 1999.** 139.75 (8) of the statutes is amended to read:

13 139.75 (8) “Retailer” ~~means any person engaged in the business of selling~~
14 ~~tobacco products to ultimate consumers~~ has the meaning given in s. 134.66 (1) (g).

15 *–1598/7.69* **SECTION 2000.** 139.75 (12) of the statutes is amended to read:

16 139.75 (12) “Tobacco products” means cigars; cheroots; stogies; periques;
17 granulated, plug cut, crimp cut, ready-rubbed and other smoking tobacco; snuff;
18 snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos;
19 shorts; refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds
20 and forms of tobacco prepared in such manner as to be suitable for chewing or
21 smoking in a pipe or otherwise, or both for chewing and smoking; but “tobacco
22 products” does not include cigarettes, as defined under s. 139.30 ~~(1)~~ (1m).

23 *–1598/7.70* **SECTION 2001.** 139.76 (3) of the statutes is created to read:

1 139.76 (3) Except as provided in sub. (2), no person may possess tobacco
2 products in this state unless the tax imposed under sub. (1) is paid on such tobacco
3 products.

4 *-1598/7.71* SECTION 2002. 139.78 (1m) of the statutes is created to read:

5 139.78 (1m) Except as provided in s. 139.76 (2), no person other than a
6 distributor with a valid permit under s. 139.79 may import into this state tobacco
7 products for which the tax imposed under s. 139.76 (1) has not been paid.

8 *-1598/7.72* SECTION 2003. 139.79 (title) of the statutes is amended to read:

9 139.79 (title) **Permits; distributor; direct marketer; subjobber.**

10 *-1598/7.73* SECTION 2004. 139.79 (1) of the statutes is amended to read:

11 139.79 (1) No person may engage in the business of a distributor, direct
12 marketer, or subjobber of tobacco products at any place of business unless that
13 person has filed an application for and obtained a permit from the department to
14 engage in that business at such place.

15 *-1598/7.74* SECTION 2005. 139.79 (2) of the statutes is amended to read:

16 139.79 (2) Section 139.34 (1) ~~(b)~~ (c) to (f), (4) and (9) applies to the permits under
17 this section.

18 *-1598/7.75* SECTION 2006. 139.795 of the statutes is created to read:

19 **139.795 Direct marketing.** (1) (a) No person may sell tobacco products by
20 direct marketing to consumers in this state as a direct marketer or solicit sales of
21 tobacco products to consumers in this state by direct marketing unless the person has
22 obtained a permit from the department to make such sales or solicitations. The
23 person shall file an application for a permit under this subsection with the
24 department, in the manner prescribed by the department, and shall submit a \$500
25 fee with the application.

1 (b) No person may be issued a permit under this subsection unless the person
2 holds a valid distributor's permit under s. 139.79. Section 139.34 (1) (c) to (f), (7), and
3 (9), as it applies to permits issued under s. 139.34, applies to permits issued under
4 this subsection.

5 (c) A permit issued under this subsection expires on December 31 of each year.

6 (d) No person may be issued a permit under this subsection unless the person
7 certifies to the department, in the manner prescribed by the department, that all
8 tobacco product sales to consumers in this state shall be credit card transactions; that
9 the invoices and all means of solicitation for all shipments of tobacco product sales
10 from the person shall bear the person's name and address and permit ultimately
11 issued under this subsection; and that the person shall provide the department any
12 information the department considers necessary to administer this section.

13 (2) No person may sell tobacco products to consumers in this state by direct
14 marketing unless the tax imposed under s. 139.76, and under s. 77.52 or 77.53, has
15 been paid with regard to such products.

16 (3) No person may sell tobacco products to a consumer in this state by direct
17 marketing unless the person does all of the following:

18 (a) The person uses a mechanism, approved by the department, to verify the
19 consumer's age.

20 (b) The person receives from the consumer, at the time of purchase, a copy or
21 facsimile of an identification card, the name specified on the identification matches
22 the name of the consumer.

23 (c) The person uses a mechanism, other than a mechanism under par. (a) or (b),
24 for verifying the age and identity of a consumer that is approved by the department.

1 (4) Any person who, without having a valid permit under sub. (1), sells or
2 solicits sales of tobacco products to consumers in this state by direct marketing shall
3 pay a penalty to the department of \$5,000 or an amount that is equal to 50 percent
4 of the tax due on the tobacco products the person sold, without having a valid permit
5 under sub. (1), to consumers in this state by direct marketing, whichever is greater.

6 (5) No tobacco products may be shipped or delivered to a person who is under
7 18 years of age and no tobacco products may be shipped to a post-office box. Every
8 package used to ship tobacco products that are sold as provided under this section
9 and delivered to a person in this state shall be clearly labeled to indicate that the
10 package contains tobacco products and may not be delivered to a person who is under
11 18 years of age.

12 *-1598/7.76* SECTION 2007. 139.81 (1) of the statutes is amended to read:

13 139.81 (1) No person may sell ~~or take orders for~~ tobacco products ~~for resale or~~
14 solicit sales of tobacco products in this state ~~for any manufacturer or permittee~~
15 unless the person has filed an application for and obtained a valid certificate under
16 s. 73.03 (50) and a salesperson's permit from the department. No ~~manufacturer or~~
17 permittee shall authorize any person to sell ~~or take orders for~~ tobacco products or
18 solicit sales of tobacco products in this state unless the person has filed an application
19 for and obtained a valid certificate under s. 73.03 (50) and a salesperson's permit.
20 No person may authorize the sale or solicitation of tobacco products in this state
21 unless the person has filed an application for and obtained a valid certificate under
22 s. 73.03 (50) and a valid permit under s. 139.79. Each application for a permit shall
23 disclose the name and address of the employer or the person for whom the
24 salesperson is soliciting and shall remain effective only while the salesperson
25 represents the named employer or person. If the salesperson is thereafter employed

1 by another ~~manufacturer or permittee~~ person the salesperson shall obtain a new
2 salesperson's permit. Each ~~manufacturer and~~ permittee shall notify the department
3 within 10 days after the resignation or dismissal of any salesperson holding a permit.

4 ***-1598/7.77* SECTION 2008.** 139.81 (2) of the statutes is amended to read:

5 139.81 (2) Section 139.34 (1) (b) (c) to (e) applies to the permits under this
6 section.

7 ***-0375/2.5* SECTION 2009.** 139.91 (1) of the statutes is amended to read:

8 139.91 (1) The Except as provided in sub. (4), the department may not reveal
9 facts obtained in administering this subchapter, except that the department may
10 publish statistics that do not reveal the identities of dealers.

11 ***-0375/2.6* SECTION 2010.** 139.91 (4) of the statutes is created to read:

12 139.91 (4) The secretary of revenue and employees of that department may
13 reveal facts obtained in administering this subchapter for the purposes of preparing
14 and maintaining the list of persons with unpaid tax obligations as described in s.
15 71.91 (8) so that the list of such persons is available for public inspection.

16 ***-0502/1.1* SECTION 2011.** 145.08 (1) (b) of the statutes is amended to read:

17 145.08 (1) (b) For master plumber's license, ~~\$250~~ \$500, and ~~\$250~~ \$500 for each
18 renewal of the ~~2-year~~ 4-year license if application is made prior to the date of
19 expiration; after that date an additional fee of \$20.

20 ***-0502/1.2* SECTION 2012.** 145.08 (1) (d) of the statutes is amended to read:

21 145.08 (1) (d) For journeyman plumber's license, ~~\$90~~ \$180, and ~~\$90~~ \$180 for
22 each renewal of the ~~2-year~~ 4-year license if application is made prior to the date of
23 expiration; after that date an additional fee of \$10.

24 ***-0502/1.3* SECTION 2013.** 145.08 (1) (e) of the statutes is amended to read:

1 145.08 (1) (e) For temporary permit pending examination and issuance of
2 license for master plumber, \$400; for journeyman \$150 and which shall also cover the
3 examination fee prescribed and the license fee for the ~~2-year~~ 4-year period in which
4 issued.

5 *~~-0502/1.4~~* **SECTION 2014.** 145.08 (1) (g) of the statutes is amended to read:

6 145.08 (1) (g) For master plumber's license (restricted), ~~\$250~~ \$500, and ~~\$250~~
7 \$500 for each renewal of the ~~2-year~~ 4-year license if application is made prior to the
8 date of expiration; after that date an additional fee of \$20.

9 *~~-0502/1.5~~* **SECTION 2015.** 145.08 (1) (i) of the statutes is amended to read:

10 145.08 (1) (i) For journeyman plumber's license (restricted), ~~\$90~~ \$180, and ~~\$90~~
11 \$180 for each renewal of the ~~2-year~~ 4-year license if application is made prior to the
12 date of expiration; after that date an additional fee of \$10.

13 *~~-0502/1.6~~* **SECTION 2016.** 145.08 (1) (L) of the statutes is amended to read:

14 145.08 (1) (L) For an automatic fire sprinkler contractor's license, ~~\$1,000~~
15 \$2,000, and ~~\$1,000~~ \$2,000 for each renewal of the ~~2-year~~ 4-year license if application
16 is made prior to the date of expiration; after that date an additional fee of \$25.

17 *~~-0502/1.7~~* **SECTION 2017.** 145.08 (1) (Lm) of the statutes is amended to read:

18 145.08 (1) (Lm) For an automatic fire sprinkler – maintenance only
19 registration, ~~\$200~~ \$400, and ~~\$200~~ \$400 for each renewal of the ~~2-year~~ 4-year
20 registration if application is made prior to the date of expiration; after that date an
21 additional fee of \$25.

22 *~~-0502/1.8~~* **SECTION 2018.** 145.08 (1) (n) of the statutes is amended to read:

23 145.08 (1) (n) For a journeyman automatic fire sprinkler fitter's license, ~~\$90~~
24 \$180, and ~~\$90~~ \$180 for each renewal of the ~~2-year~~ 4-year license if application is
25 made prior to the date of expiration; after that date an additional fee of \$10.

1 ***-0502/1.9* SECTION 2019.** 145.08 (1) (nm) of the statutes is amended to read:
2 145.08 (1) (nm) For an automatic fire sprinkler fitter – maintenance only
3 registration certificate, \$30 \$60, and \$30 \$60 for each renewal of the 2-year 4-year
4 registration if application is made prior to the date of expiration; after that date an
5 additional fee of \$10.

6 ***-0502/1.10* SECTION 2020.** 145.08 (1) (o) of the statutes is amended to read:
7 145.08 (1) (o) For utility contractor's license, \$250, \$500 and \$250 \$500 for each
8 renewal of the 2-year 4-year license if application is made prior to the date of
9 expiration; after that date an additional fee of \$10.

10 ***-0502/1.11* SECTION 2021.** 145.08 (1) (p) of the statutes is amended to read:
11 145.08 (1) (p) For a plumbing supervisor employed by the department in accord
12 with s. 145.02 (3) (a), no cost for the appropriate 2-year 4-year license for which the
13 plumbing supervisor has previously qualified.

14 ***-0502/1.12* SECTION 2022.** 145.08 (1) (q) of the statutes is amended to read:
15 145.08 (1) (q) For a pipelayer's registration, \$90 \$180 at the time of registration
16 and \$90 \$180 for each subsequent 2-year 4-year period of registration.

17 ***-0502/1.13* SECTION 2023.** 145.08 (2) of the statutes is amended to read:
18 145.08 (2) No license or registration may be issued for longer than 2 4 years.
19 Any license or registration may be renewed upon application made prior to the date
20 of expiration. The department may renew licenses or registrations upon application
21 made after the date of expiration if it is satisfied that the applicant has good cause
22 for not applying for renewal prior to the date of expiration and upon payment of the
23 renewal and additional fees prescribed.

24 ***-1560/3.23* SECTION 2024.** 146.55 (4) (a) of the statutes is amended to read:

1 146.55 (4) (a) From the appropriation under s. 20.435 (5) ~~(eh)~~ (rb), the
2 department shall annually distribute funds for ambulance service vehicles or vehicle
3 equipment, emergency medical services supplies or equipment or emergency
4 medical training for personnel to an ambulance service provider that is a public
5 agency, a volunteer fire department or a nonprofit corporation, under a funding
6 formula consisting of an identical base amount for each ambulance service provider
7 plus a supplemental amount based on the population of the ambulance service
8 provider's primary service or contract area, as established under s. 146.50 (5).

9 ***-0113/2.3* SECTION 2025.** 146.55 (5) of the statutes is renumbered 146.55 (5)
10 (a) and amended to read:

11 146.55 (5) (a) From the appropriation under s. 20.435 (5) ~~(eh)~~ (rb), the
12 department shall annually distribute funds to ~~entities, including technical college~~
13 ~~districts, whose courses or instructional programs are approved by the department~~
14 ~~under s. 146.50 (9), to assist the entities in providing~~ ambulance service providers
15 to purchase the training required for licensure and renewal of licensure as an
16 emergency medical technician - basic under s. 146.50 (6), and to ~~fund each~~
17 ~~examination administered by the entity~~ pay for administration of the examination
18 required for licensure or renewal of licensure as an emergency medical technician -
19 basic under s. 146.50 (6) (a) 3. and (b) 1.

 ****NOTE: This is reconciled s. 146.55 (5). This SECTION has been affected by drafts
with the following LRB numbers: 0113/1 and 1560/2.

20 ***-0113/2.4* SECTION 2026.** 146.55 (5) (b) of the statutes is created to read:

21 146.55 (5) (b) The department shall require as a condition of relicensure that
22 an ambulance service provider submit to the department a financial report on the
23 expenditure of funds received under par. (a).

1 *~~0113/2.5~~* SECTION 2027. 146.58 (7) of the statutes is amended to read:

2 146.58 (7) Advise, make recommendations to, and consult with the department
3 concerning the funding under s. 146.55 (4) and (5), including recommending a
4 formula for allocating funds among ambulance service providers under s. 146.55 (5).

5 *~~1560/3.24~~* SECTION 2028. 146.58 (8) of the statutes is amended to read:

6 146.58 (8) Review the annual budget prepared by the department for the
7 expenditures under s. 20.435 (5) (~~eh~~) (rb).

8 *~~0984/4.20~~* SECTION 2029. 146.70 (3m) (d) 1g. of the statutes is repealed and
9 recreated to read:

10 146.70 (3m) (d) 1g. If an application under par. (c) includes an estimate of costs
11 identified in par. (c) 1. d. incurred during the reimbursement period or between
12 January 1, 1999, and September 3, 2003, the commission may approve the
13 application only if the commission determines that the local government's collection
14 of land information, as defined in s. 16.967 (1) (b), and development of a land
15 information system, as defined in s. 16.967 (1) (c), that is related to that purpose are
16 consistent with the applicable county land records modernization plans developed
17 under s. 59.72 (3) (b), conform to the standards on which such plans are based, and
18 do not duplicate land information collection and other efforts funded through the
19 land information program under s. 16.967 (7). The commission shall obtain the
20 advice of the department of administration in making determinations under this
21 subdivision.

22 *~~0270/1.2~~* SECTION 2030. 149.12 (2) (f) of the statutes is renumbered 149.12

23 (2) (f) 1. and amended to read:

24 149.12 (2) (f) 1. ~~No~~ Except as provided in subd. 2., no person who is eligible for
25 medical assistance is eligible for coverage under the plan.

1 ***-0270/1.3* SECTION 2031.** 149.12 (2) (f) 2. of the statutes is created to read:

2 149.12 (2) (f) 2. Subdivision 1. does not apply to a person who is eligible for only
3 any of the following types of medical assistance:

4 a. Family planning services under s. 49.45 (24r).

5 b. Care and services for the treatment of an emergency medical condition under
6 42 USC 1396b (v), as provided in s. 49.45 (27).

7 c. Medical assistance under s. 49.46 (1) (a) 15.

8 d. Ambulatory prenatal care under s. 49.465.

9 e. Medicare premium, coinsurance, and deductible payments under s. 49.46 (2)
10 (c) 2. or 3., 49.468 (1) (b) or (c), or 49.47 (6) (a) 6. b. or c.

11 f. Medicare premium payments under s. 49.46 (2) (cm), 49.468 (1m) or (2), or
12 49.47 (6) (a) 6m.

13 ***-0270/1.4* SECTION 2032.** 149.12 (2) (g) of the statutes is created to read:

14 149.12 (2) (g) A person is not eligible for coverage under the plan if the person
15 is eligible for any of the following:

16 1. Services under s. 46.27 (11), 46.275, 46.277, or 46.278.

17 2. Medical assistance provided as part of a family care benefit, as defined in s.
18 46.2805 (4).

19 3. Services provided under a waiver requested under 2001 Wisconsin Act 16,
20 section 9123 (16rs), or 2003 Wisconsin Act 33, section 9124 (8c).

21 4. Services provided under the program of all-inclusive care for persons aged
22 55 or older authorized under 42 USC 1396u-4.

23 5. Services provided under the demonstration program under a federal waiver
24 authorized under 42 USC 1315.

1 6. Health care coverage under the Badger Care health care program under s.
2 49.665.

3 *-0269/1.1* SECTION 2033. 149.14 (5) (b) of the statutes is amended to read:

4 149.14 (5) (b) Except as provided in pars. (c) and (e), if the covered costs
5 incurred in a calendar year by the an eligible person who is not eligible for Medicare
6 exceed the deductible for major medical expense coverage ~~in a calendar year~~, the plan
7 shall pay at least 80% of any additional covered costs incurred by the person during
8 the calendar year, and if the covered costs incurred in a calendar year by an eligible
9 person who is eligible for Medicare exceed the deductible for major medical expense
10 coverage or \$2,000, whichever is less, the plan shall pay 100% of any additional
11 covered costs incurred by the person during the calendar year.

12 *-0269/1.2* SECTION 2034. 149.14 (5) (c) of the statutes is amended to read:

13 149.14 (5) (c) Except as provided in par. (e), if the aggregate of the covered costs
14 not paid by the plan under par. (b) and the deductible exceeds \$500 ~~for an eligible~~
15 ~~person receiving medicare, \$2,000 for any other~~ in a calendar year for an eligible
16 ~~person during a calendar year who is not eligible for Medicare, or \$4,000 in a calendar~~
17 year for all eligible persons in a family, the plan shall pay 100% of all covered costs
18 incurred by the eligible person or the eligible persons in the family during the
19 calendar year after the payment ceilings under this paragraph are exceeded.

20 *-0578/P5.1* SECTION 2035. 149.14 (5) (e) of the statutes is amended to read:

21 149.14 (5) (e) Subject to sub. (8) (b), the department may, ~~by rule under s. 149.17~~
22 ~~(4), establish for prescription drug coverage under sub. (3) (d) copayment amounts,~~
23 ~~coinsurance rates, and~~ establish a 3-tiered copayment structure for prescription
24 drugs. The copayment and coinsurance out-of-pocket limits limit for prescription
25 drug coverage under sub. (3) (d) over which the plan will pay 100% of covered costs

1 under sub. (3) (d) may be \$300. The department may establish that only certain
2 copayment amounts count toward the out-of-pocket limit. The department may
3 provide subsidies for prescription drug copayment amounts paid by eligible persons
4 under s. 149.165 (2) (a) 1. to 5. ~~Any copayment amount, coinsurance rate, or~~
5 ~~out-of-pocket limit established under this paragraph is subject to the approval of the~~
6 ~~board~~ Subject to sub. (8) (b), the department may change, by rule under s. 149.17 (4),
7 the out-of-pocket limit. Using the procedure under s. 227.24, the department may
8 promulgate rules under this paragraph for the period before the effective date of any
9 permanent rules promulgated under this paragraph, but not to exceed the period
10 authorized under s. 227.24 (1) (c) and (2). Notwithstanding s. 227.24 (1) (a), (2) (b),
11 and (3), the department is not required to provide evidence that promulgating a rule
12 under this paragraph as an emergency rule is necessary for the preservation of the
13 public peace, health, safety, or welfare and is not required to make a finding of
14 emergency for promulgating a rule under this paragraph as an emergency rule.
15 Copayments and coinsurance paid by an eligible person under this paragraph are
16 separate from and do not count toward the deductible and covered costs not paid by
17 the plan under pars. (a) to (c).

18 *~~0578/P5.2~~ SECTION 2036. 149.142 (1) (b) of the statutes is amended to read:

19 149.142 (1) (b) The payment rate for a prescription drug shall be ~~the allowable~~
20 ~~charge paid under s. 49.46 (2) (b) 6. h. for the prescription drug. Notwithstanding~~
21 ~~s. 149.17 (4), the department may not reduce the payment rate for prescription drugs~~
22 ~~below the rate specified in this paragraph, and the rate may not be adjusted under~~
23 ~~s. 149.143 or 149.144 set by the department, subject to the approval of the board.~~

24 *~~0578/P5.3~~ SECTION 2037. 149.142 (2) of the statutes is amended to read:

1 149.142 (2) ~~Except as provided in sub. (1) (b), the~~ The rates established under
2 this section are subject to adjustment under ss. 149.143 and 149.144.

3 ***-0267/1.1* SECTION 2038.** 149.143 (1) (intro.) of the statutes is amended to
4 read:

5 149.143 (1) (intro.) The department shall pay or recover the operating costs of
6 the plan from the appropriation under s. 20.435 (4) (v) and administrative costs of
7 the plan from the appropriation under s. 20.435 (4) (u). For purposes of determining
8 premiums, insurer assessments and provider payment rate adjustments, the
9 department shall apportion and prioritize responsibility for payment or recovery of
10 plan costs, excluding deductible reductions under s. 149.14 (5) (a) and prescription
11 drug copayment reductions under s. 149.14 (5) (e), from among the moneys
12 constituting the fund as follows:

13 ***-0267/1.2* SECTION 2039.** 149.143 (1) (am) 1. of the statutes is amended to
14 read:

15 149.143 (1) (am) 1. First, from premiums from eligible persons with coverage
16 under s. 149.14 (2) (a) set at a rate that is 140% to 150% of the rate that a standard
17 risk would be charged under an individual policy providing substantially the same
18 coverage and deductibles as are provided under the plan and from eligible persons
19 with coverage under s. 149.14 (2) (b) set in accordance with s. 149.14 (5m), including
20 amounts received for premium, deductible, and prescription drug copayment
21 subsidies under s. 149.144, and from premiums collected from eligible persons with
22 coverage under s. 149.146 set in accordance with s. 149.146 (2) (b).

23 ***-0267/1.3* SECTION 2040.** 149.143 (1) (am) 3. of the statutes is amended to
24 read:

1 149.143 (1) (am) 3. Third, by increasing premiums from eligible persons with
2 coverage under s. 149.14 (2) (a) to more than the rate at which premiums were set
3 under subd. 1. but not more than 200% of the rate that a standard risk would be
4 charged under an individual policy providing substantially the same coverage and
5 deductibles as are provided under the plan and from eligible persons with coverage
6 under s. 149.14 (2) (b) by a comparable amount in accordance with s. 149.14 (5m),
7 including amounts received for premium, ~~deductible, and prescription drug~~
8 ~~copayment~~ subsidies under s. 149.144, and by increasing premiums from eligible
9 persons with coverage under s. 149.146 in accordance with s. 149.146 (2) (b), to the
10 extent that the amounts under subds. 1. and 2. are insufficient to pay 60% of plan
11 costs.

12 ***-0578/P5.4* SECTION 2041.** 149.143 (1) (am) 4. of the statutes is amended to
13 read:

14 149.143 (1) (am) 4. Fourth, notwithstanding par. (bm), by increasing insurer
15 assessments, excluding assessments under s. 149.144, and adjusting provider
16 payment rates, ~~subject to s. 149.142 (1) (b) and~~ excluding adjustments to those rates
17 under s. 149.144, in equal proportions and to the extent that the amounts under
18 subds. 1. to 3. are insufficient to pay 60% of plan costs.

19 ***-0578/P5.5* SECTION 2042.** 149.143 (1) (bm) 2. of the statutes is amended to
20 read:

21 149.143 (1) (bm) 2. Fifty percent from adjustments to provider payment rates,
22 ~~subject to s. 149.142 (1) (b) and~~ excluding adjustments to those rates under s.
23 149.144.

24 ***-0267/1.4* SECTION 2043.** 149.143 (2) (a) (intro.) of the statutes is amended
25 to read:

1 149.143 (2) (a) (intro.) Prior to each plan year, the department shall estimate
2 the operating and administrative costs of the plan and the costs of the premium
3 reductions under s. 149.165, ~~the deductible reductions under s. 149.14 (5) (a), and~~
4 ~~any prescription drug copayment reductions under s. 149.14 (5) (e)~~ for the new plan
5 year and do all of the following:

6 ***-0267/1.5* SECTION 2044.** 149.143 (2) (a) 1. a. of the statutes is amended to
7 read:

8 149.143 (2) (a) 1. a. Estimate the amount of enrollee premiums that would be
9 received in the new plan year if the enrollee premiums were set at a level sufficient,
10 when including amounts received for premium, ~~deductible, and prescription drug~~
11 ~~copayment~~ subsidies under s. 149.144 and from premiums collected from eligible
12 persons with coverage under s. 149.146 set in accordance with s. 149.146 (2) (b), to
13 cover 60% of the estimated plan costs for the new plan year.

14 ***-0578/P5.6* SECTION 2045.** 149.143 (2) (a) 2. of the statutes is amended to
15 read:

16 149.143 (2) (a) 2. After making the determinations under subd. 1., ~~by rule~~ set
17 premium rates for the new plan year, including the rates under s. 149.146 (2) (b), in
18 the manner specified in sub. (1) (am) 1. and 3. and such that a rate for coverage under
19 s. 149.14 (2) (a) is approved by the board and is not less than 140% nor more than
20 200% of the rate that a standard risk would be charged under an individual policy
21 providing substantially the same coverage and deductibles as are provided under the
22 plan.

23 ***-0578/P5.7* SECTION 2046.** 149.143 (2) (a) 3. of the statutes is amended to
24 read:

1 149.143 (2) (a) 3. ~~By rule set~~ Set the total insurer assessments under s. 149.13
2 for the new plan year by estimating and setting the assessments at the amount
3 necessary to equal the amounts specified in sub. (1) (am) 4. and (bm) 1. and notify
4 the commissioner of the amount.

5 ***-0578/P5.8* SECTION 2047.** 149.143 (2) (a) 4. of the statutes is amended to
6 read:

7 149.143 (2) (a) 4. ~~By the same rule as under subd. 3. adjust~~ Adjust the provider
8 payment rate for the new plan year, subject to s. 149.142 (1) (b), by estimating and
9 setting the rate at the level necessary to equal the amounts specified in sub. (1) (am)
10 4. and (bm) 2. and as provided in s. 149.145.

11 ***-0578/P5.9* SECTION 2048.** 149.143 (2) (a) 4. of the statutes, as affected by
12 2005 Wisconsin Act (this act), is amended to read:

13 149.143 (2) (a) 4. Adjust the provider payment rate for the new plan year,
14 ~~subject to s. 149.142 (1) (b),~~ by estimating and setting the rate at the level necessary
15 to equal the amounts specified in sub. (1) (am) 4. and (bm) 2. and as provided in s.
16 149.145.

****NOTE: This is reconciled s. 149.143 (2) (a) 4. This SECTION has been affected by
drafts with the following LRB numbers: -0268 and -0578.

17 ***-0267/1.6* SECTION 2049.** 149.143 (2m) (a) 1. of the statutes is amended to
18 read:

19 149.143 (2m) (a) 1. The amount of premiums received in a plan year from all
20 eligible persons, including amounts received for premium, ~~deductible, and~~
21 ~~prescription drug copayment~~ subsidies.

22 ***-0267/1.7* SECTION 2050.** 149.143 (2m) (a) 2. of the statutes is amended to
23 read:

1 149.143 (2m) (a) 2. The amount of premiums, including amounts received for
2 premium, deductible, and prescription drug copayment subsidies, necessary to cover
3 60% of the plan costs for the plan year.

4 *-0578/P5.10* SECTION 2051. 149.143 (3) (a) of the statutes is amended to
5 read:

6 149.143 (3) (a) If, during a plan year, the department determines that the
7 amounts estimated to be received as a result of the rates and amount set under sub.
8 (2) (a) 2. to 4. and any adjustments in insurer assessments and the provider payment
9 rate under s. 149.144 will not be sufficient to cover plan costs, the department may
10 by rule increase the premium rates set under sub. (2) (a) 2. for the remainder of the
11 plan year, subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2.,
12 by rule increase the assessments set under sub. (2) (a) 3. for the remainder of the plan
13 year, subject to sub. (1) (bm) 1., and by the same rule under which assessments are
14 increased adjust the provider payment rate set under sub. (2) (a) 4. for the remainder
15 of the plan year, subject to sub. (1) (bm) 2. and s. 149.142 (1) (b).

16 *-0578/P5.11* SECTION 2052. 149.143 (3) (a) of the statutes, as affected by
17 2005 Wisconsin Act (this act), is amended to read:

18 149.143 (3) (a) If, during a plan year, the department determines that the
19 amounts estimated to be received as a result of the rates and amount set under sub.
20 (2) (a) 2. to 4. and any adjustments in insurer assessments and the provider payment
21 rate under s. 149.144 will not be sufficient to cover plan costs, the department may
22 increase the premium rates set under sub. (2) (a) 2. for the remainder of the plan year,
23 subject to s. 149.146 (2) (b) and the maximum specified in sub. (2) (a) 2., increase the
24 assessments set under sub. (2) (a) 3. for the remainder of the plan year, subject to sub.

1 (1) (bm) 1., and adjust the provider payment rate set under sub. (2) (a) 4. for the
2 remainder of the plan year, subject to sub. (1) (bm) 2. ~~and s. 149.142 (1) (b).~~

***NOTE: This is reconciled s. 149.143 (3) (a). This SECTION has been affected by
drafts with the following LRB numbers: -0268 and -0578.

3 ***-0578/P5.12* SECTION 2053.** 149.143 (3) (b) of the statutes is amended to
4 read:

5 149.143 (3) (b) If the department increases premium rates and insurer
6 assessments and adjusts the provider payment rate under par. (a) and determines
7 that there will still be a deficit and that premium rates have been increased to the
8 maximum extent allowable under par. (a), the department may further adjust, in
9 equal proportions, assessments set under sub. (2) (a) 3. and the provider payment
10 rate set under sub. (2) (a) 4., without regard to sub. (1) (bm) ~~but subject to s. 149.142~~
11 ~~(1) (b).~~

12 ***-0578/P5.13* SECTION 2054.** 149.143 (4) of the statutes is repealed.

13 ***-0578/P5.14* SECTION 2055.** 149.143 (5) (a) of the statutes is amended to
14 read:

15 149.143 (5) (a) Annually, no later than April 30, the department shall perform
16 a reconciliation with respect to plan costs, premiums, insurer assessments, and
17 provider payment rate adjustments based on data from the previous calendar year.
18 On the basis of the reconciliation, the department shall make any necessary
19 adjustments in premiums, insurer assessments, or provider payment rates, ~~subject~~
20 ~~to s. 149.142 (1) (b),~~ for the fiscal year beginning on the first July 1 after the
21 reconciliation, as provided in sub. (2) (b).

22 ***-0578/P5.15* SECTION 2056.** 149.143 (5) (b) of the statutes is amended to
23 read:

1 149.143 (5) (b) Except as provided in sub. (3) and s. 149.144, the department
2 shall adjust the provider payment rates to meet the providers' specified portion of the
3 plan costs no more than once annually, ~~subject to s. 149.142 (1) (b).~~ The department
4 may not determine the adjustment on an individual provider basis or on the basis
5 of provider type, but shall determine the adjustment for all providers in the
6 aggregate, ~~subject to s. 149.142 (1) (b).~~

7 *-0578/P5.16* SECTION 2057. 149.144 of the statutes is amended to read:

8 **149.144 Adjustments to insurer assessments and provider payment**
9 **rates for premium, deductible, and prescription drug copayment**
10 **reductions.** The department shall, ~~by rule,~~ adjust in equal proportions the amount
11 of the assessment set under s. 149.143 (2) (a) 3. and the provider payment rate set
12 under s. 149.143 (2) (a) 4., subject to ss. 149.142 (1) (b) and 149.143 (1) (am), sufficient
13 to reimburse the plan for premium reductions under s. 149.165, deductible
14 reductions under s. 149.14 (5) (a), and any prescription drug copayment reductions
15 under s. 149.14 (5) (e). The department shall notify the commissioner so that the
16 commissioner may levy any increase in insurer assessments.

17 *-0578/P5.17* SECTION 2058. 149.144 of the statutes, as affected by 2005
18 Wisconsin Act (this act), is amended to read:

19 **149.144 Adjustments to insurer assessments and provider payment**
20 **rates for premium, deductible, and prescription drug copayment**
21 **reductions.** The department shall adjust in equal proportions the amount of the
22 assessment set under s. 149.143 (2) (a) 3. and the provider payment rate set under
23 s. 149.143 (2) (a) 4., subject to ~~ss. 149.142 (1) (b) and s.~~ 149.143 (1) (am), sufficient
24 to reimburse the plan for premium reductions under s. 149.165, deductible
25 reductions under s. 149.14 (5) (a), and any prescription drug copayment reductions

1 under s. 149.14 (5) (e). The department shall notify the commissioner so that the
2 commissioner may levy any increase in insurer assessments.

****NOTE: This is reconciled s. 149.144. This SECTION has been affected by drafts
with the following LRB numbers: -0268 and -0578.

3 ***-0578/P5.18* SECTION 2059.** 149.145 of the statutes is amended to read:

4 **149.145 Program budget.** The department, in consultation with the board,
5 shall establish a program budget for each plan year. The program budget shall be
6 based on the provider payment rates specified in s. 149.142 and in the most recent
7 provider contracts that are in effect and on the funding sources specified in ss.
8 149.143 (1) and 149.144, including the methodologies specified in ss. 149.143,
9 149.144, and 149.146 for determining premium rates, insurer assessments, and
10 provider payment rates. Except as otherwise provided in s. 149.143 (3) (a) and (b)
11 ~~and subject to s. 149.142 (1) (b),~~ from the program budget the department shall derive
12 the actual provider payment rate for a plan year that reflects the providers'
13 proportional share of the plan costs, consistent with ss. 149.143 and 149.144. The
14 department may not implement a program budget established under this section
15 unless it is approved by the board.

16 ***-0578/P5.19* SECTION 2060.** 149.146 (2) (am) 5. of the statutes is amended
17 to read:

18 149.146 (2) (am) 5. Subject to s. 149.14 (8) (b), the department may, ~~by rule~~
19 ~~under s. 149.17 (4), establish for prescription drug coverage under this section~~
20 ~~copayment amounts, coinsurance rates, and~~ establish a 3-tiered copayment
21 structure for prescription drugs. The copayment and coinsurance out-of-pocket
22 limits limit for prescription drug coverage under this section over which the plan will
23 pay 100% of covered costs for prescription drugs. ~~Any copayment amount,~~